Upon [**REDACTED**], certain transaction between us and our connected persons will constitute our continuing connected transactions under Chapter 14A of the Listing Rules.

CONNECTED PERSONS

We have entered into certain transactions in the ordinary and normal course of our business with the following connected persons, which will constitute our continuing connected transactions upon [**REDACTED**]:

Connected Persons	Connected Relationship
Wolong Holding (together with its subsidiaries, excluding Wolong New Energy Group, the "**Wolong Holding Group**")	Wolong Holding is one of our Controlling Shareholders.
Wolong New Energy (together with its subsidiaries, the "**Wolong New Energy Group**")	Wolong New Energy (a company listed on Shanghai Stock Exchange with stock code of 600173), is a subsidiary of Wolong Holding, which directly and indirectly controlled 46.01% of the voting rights in Wolong New Energy as of the Latest Practicable Date.
HGC Group	As of the Latest Practicable Date, HGC through its subsidiary Haier Smart Home Co., Ltd., held 30.00% equity interests in our subsidiary, Wolong Jinan. Entities within HGC Group are therefore connected persons at the subsidiary level of our Company.

SUMMARY OF OUR CONTINUING CONNECTED TRANSACTIONS

No.	Transaction	Counterparty	Applicable Listing Rule	Waiver sought	Proposed annual cap
					(RMB in millions)
Fully-exempt Continuing Connected Transactions					
1 . . .	Lease of premises by Wolong Holding Group and Wolong New Energy Group from our Group	Wolong Holding Group; Wolong New Energy Group	14A.76(1)	N/A	N/A
2 . . .	Provision of services to Wolong Holding Group and Wolong New Energy Group	Wolong Holding Group; Wolong New Energy Group	14A.76(1)	N/A	N/A
3 . . .	Sale of products and solutions to Wolong Holding Group and Wolong New Energy Group	Wolong Holding Group; Wolong New Energy Group	14A.76(1)	N/A	N/A

No.	Transaction	Counterparty	Applicable Listing Rule	Waiver sought	Proposed annual cap
					(RMB in millions)
Partially-exempt Continuing Connected Transactions					
4 . . .	Procurement of services from Wolong Holding Group and Wolong New Energy Group	Wolong Holding Group; Wolong New Energy Group	14A.35, 14A.49, 14A.71, 14A.76(2) and 14A.105	Announcement requirement	For the year ending December 31, 2026: 20.6 2027: 21.1
5 . . .	Procurement of products from Wolong Holding Group and Wolong New Energy Group	Wolong Holding Group; Wolong New Energy Group	14A.35, 14A.49, 14A.71, 14A.76(2) and 14A.105	Announcement requirement	For the year ending December 31, 2026: 111.5 2027: 103.4
6 . . .	Provision of products and solutions by our Group	HGC Group	14A.35, 14A.49, 14A.71, 14A.101 and 14A.105	Announcement requirement	For the period from January 1, 2026 to May 10, 2026: 505.1
7 . . .	Procurement of products and services by our Group	HGC Group	14A.35, 14A.49, 14A.71, 14A.76(2) and 14A.105	Announcement requirement	For the period from January 1, 2026 to May 10, 2026: 118.2

FULLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

1. Lease of Premises by Wolong Holding Group and Wolong New Energy Group from Our Group

Our Group has entered into lease agreements with each of Wolong Holding Group and Wolong New Energy Group, respectively, pursuant to which our Group agreed to lease to Wolong Holding Group and Wolong New Energy Group certain premises for production and office purposes, and we expect to renew such lease agreements upon mutual consent of both parties subject to compliance with the requirements of the Listing Rules and applicable laws and regulations. The rent shall be determined by the parties at arm's length negotiations with reference to prevailing market rent of comparable properties available to independent third parties, which is in the best interests of our Company and our Shareholders as a whole. Such lease agreements were entered into and has been conducted in the ordinary and usual course of business and on normal commercial terms or better, and all applicable percentage ratios calculated under Chapter 14A of the Listing Rules will be less than 0.1%. Therefore, the lease of premises by Wolong Holding Group and Wolong New Energy Group from our Group will be fully exempt from all of the reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.76(1) of the Listing Rules.

2. Provision of Services to Wolong Holding Group and Wolong New Energy Group

On [●], 2026, we entered into a provision of services agreement with Wolong Holding (for itself and on behalf of Wolong Holding Group) and a provision of services agreement with Wolong New Energy (for itself and on behalf of Wolong New Energy Group) (collectively, the "**Provision of Services Framework Agreements**"), pursuant to which, our Group agreed to supply to Wolong Holding Group and Wolong New Energy Group, supporting services which include, among others, administrative services, IT supporting services and property management services as their operations may require from time to time.

Wolong Holding Group and Wolong New Energy Group have been procuring such services from us during the Track Record Period in the ordinary and usual course of our business, as they have operating locations which are proximate to where we operate and we have the resources for provision of the services they need. The prices of the services are determined based on normal commercial terms after arm's length negotiations between the relevant parties, with reference to, among others, the costs, the scale of services required and the prevailing market conditions. The term of each of the Provision of Services Framework Agreements shall commence from the date of signing and expire on December 31, 2027, subject to renewal upon the mutual consent of both parties and compliance with the requirements of the Listing Rules and applicable laws and regulations. The relevant parties or their respective subsidiaries will enter into separate underlying agreements which will set out the specific terms and conditions according to the principles provided in the Provision of Services Framework Agreements.

As the applicable percentage ratios calculated under Chapter 14A of the Listing Rules will be less than 0.1%, the Provision of Services Framework Agreements will be fully exempt from all of the reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.76(1) of the Listing Rules.

3. Sale of Products and Solutions to Wolong Holding Group and Wolong New Energy Group

On [●], 2026, we entered into a sale agreement (the "**WH Sale Framework Agreement**") with Wolong Holding (for itself and on behalf of Wolong Holding Group), pursuant to which, our Group agreed to supply electric drive solutions and materials such as silicon steel and components to Wolong Holding Group. On [●], 2026, we entered into a sale agreement (the "**WN Sale Framework Agreement**," collectively with the WH Sale of Products Framework Agreement, the "**Sale Framework Agreements**") with Wolong New Energy (for itself and on behalf of Wolong New Energy Group), pursuant to which, our Group agreed to supply electric drive solutions to Wolong New Energy Group.

During the Track Record Period, we have supplied electric drive solutions and materials to relevant members in Wolong Holding Group and Wolong New Energy Group, and we expect that we will continue to supply such solutions and materials after [**REDACTED**]. We are familiar with the business requirements, quality standards and operational requirements of each of Wolong Holding Group and Wolong New Energy Group. The provision of solutions and materials to Wolong Holding Group and Wolong New Energy Group facilitates the production and sales of their products, thereby expanding our Group's sales scale and driving our revenue growth. The amount to be paid by each of Wolong Holding Group and Wolong New Energy Group to our Group under the Sale Framework Agreements generally adopt a cost-plus method and will be determined through arm's length negotiations, taking into account the factors, including, among others, the market price of similar solutions and materials and the costs and profit margins of our Group. The term of each of the Sale Framework Agreements shall commence from the date of signing and expire on December 31, 2027, subject to renewal upon the mutual consent of both parties and compliance with the requirements of the Listing Rules, applicable laws and regulations. The relevant parties or their respective subsidiaries will enter into separate underlying agreements which will set out the specific terms and conditions according to the principles provided in the Sale Framework Agreements.

As the applicable percentage ratios calculated under Chapter 14A of the Listing Rules will be less than 0.1%, the Sale Framework Agreements will be fully exempt from all of the reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.76(1) of the Listing Rules.

PARTIALLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

4. Procurement of Services from Wolong Holding Group and Wolong New Energy Group

Principal terms

On [●], 2026, we entered into a procurement of services agreement (the "**Procurement of WH Services Framework Agreement**") with Wolong Holding (for itself and on behalf of Wolong Holding Group), pursuant to which, our Group agreed to procure services from Wolong Holding Group, which mainly include, among others, automobile rental services and property management services for our operation requirements from time to time. On [●], 2026, we entered into a procurement of services agreement (the "**Procurement of WN Services Framework Agreement**," collectively with the Procurement of WH Services Framework Agreement, the "**Procurement of Services Framework Agreements**") with Wolong New Energy (for itself and on behalf of Wolong New Energy Group), pursuant to which, our Group agreed to procure services from Wolong New Energy Group, which mainly include, among others, hospitality services, property management services and construction services for our operation requirements from time to time.

The term of each of the Procurement of Services Framework Agreements shall commence from the date of signing and expire on December 31, 2027, subject to renewal upon the mutual consent of both parties and compliance with the requirements of the Listing Rules, applicable laws and regulations. The relevant parties or their respective subsidiaries will enter into separate underlying agreements which will set out the specific terms and conditions according to the principles provided in the Procurement of Services Framework Agreements.

Pricing Policy

The amount to be paid by us under the Procurement of Services Framework Agreements generally adopt a cost-plus method and will be determined through arm's length negotiations, taking into account the factors including the quality of services of different service providers and the prices at which our Group procures similar services of the same nature and type from other independent third parties.

Reasons for the transaction

Our Group has been procuring such services from Wolong Holding Group and Wolong New Energy Group during the Track Record Period in the ordinary and usual course of our business. Our Group has operating locations in Shaoxing, Zhejiang province and other parts of China, which are proximate to where Wolong Holding Group and Wolong New Energy Group operate, and each of Wolong Holding Group and Wolong New Energy Group has the experience and resources for provision of the services we need in such areas.

Therefore, we believe it is in the best interest of our Group and our Shareholders as a whole to continue to procure such services from Wolong Holding Group and Wolong New Energy Group who are capable of fulfilling our demands with a stable and high-quality supply of services on terms which are similar to or better than those offered by independent third parties.

Historical transaction amounts

The historical amounts of our payment for the procurement of services from Wolong Holding Group for each of the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025 were approximately RMB5.3 million, RMB4.7 million, RMB6.1 million and RMB1.9 million, respectively. The historical amounts of our payment for the procurement of services from Wolong New Energy Group for each of the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025 were approximately RMB8.1 million, RMB10.8 million, RMB14.1 million and RMB12.2 million, respectively.

Annual Caps and Basis of Annual Cap

The proposed annual cap for the transactions contemplated under the Procurement of Services Framework Agreements for the years ending December 31, 2026 and 2027 are RMB20.6 million and RMB21.1 million, respectively.

In determining such annual caps, our Directors have considered the following factors: (i) the historical amounts of the transactions between our Group and each of Wolong Holding Group and Wolong New Energy Group during the Track Record Period in respect of our procurement of the services; and (ii) our projected business scale and procurement requirements for the services.

Implication under the Listing Rules

Since the highest of the applicable percentage ratios calculated under Chapter 14A of the Listing Rules is expected to exceed 0.1% but less than 5% on an annual basis, pursuant to Rule 14A.76(2) of the Listing Rules, the transactions contemplated under the Procurement of Services Framework Agreements will be exempt from the circular and the independent shareholders' approval requirements, but will be subject to the annual reporting, annual review and announcement requirements.

5. Procurement of Products from Wolong Holding Group and Wolong New Energy Group

Principal terms

On [●], 2026, we entered into a procurement of products agreement (the "**Procurement of WH Products Framework Agreement**") with Wolong Holding (for itself and on behalf of Wolong Holding Group), pursuant to which, our Group agreed to procure various products from relevant members of Wolong Holding Group, which mainly include, among others, transformer equipment and motor accessories. On [●], 2026, we entered into a procurement of products agreement (the "**Procurement of WN Products Framework Agreement**," collectively with the Procurement of WH Products Framework Agreement, the "**Procurement of Products Framework Agreements**") with Wolong New Energy (for itself and on behalf of Wolong New Energy Group), pursuant to which, our Group agreed to procure energy and products from Wolong New Energy Group, which mainly include, among others, energy storage equipment, power distribution control equipment, electrolyzers and related accessories.

The term of each of the Procurement of Products Framework Agreements shall commence from the date of signing and expire on December 31, 2027, subject to renewal upon the mutual consent of both parties and compliance with the requirements of the Listing Rules, applicable laws and regulations. The relevant parties or their respective subsidiaries will enter into separate underlying agreements which will set out the specific terms and conditions according to the principles provided in the Procurement of Products Framework Agreements.

Pricing Policy

The amount to be paid by us under the Procurement of Products Framework Agreements generally adopt a cost-plus method and will be determined through arm's length negotiations, taking into account the factors including the type of products and the transaction volume and the prices at which our Group procures similar products of the same nature, type, and quantity from other independent third parties.

Reasons for the transaction

Our Group has been purchasing such products and energy from relevant providers in Wolong Holding Group and Wolong New Energy Group during the Track Record Period in the ordinary and usual course of our business. Our Group has established a long-term and stable business relationship with the relevant providers in Wolong Holding Group and Wolong New Energy Group, respectively, and such providers have acquired a comprehensive understanding of our business and operational requirements of the products and energy that we need. Therefore, we believe it is in the best interest of our Group and our Shareholders as a whole to continue to procure such products and energy from these providers in Wolong Holding Group and Wolong New Energy Group who are capable of fulfilling our demands with a stable and high-quality supply of products and energy on terms which are similar to or better than those offered by independent third parties.

Historical transaction amounts

The historical amounts of our payment for the procurement of products from Wolong Holding Group for each of the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025 were approximately RMB3.3 million, RMB20.2 million, RMB23.9 million and RMB6.8 million, respectively. The historical amounts of our payment for the procurement of products and energy from Wolong New Energy Group for each of the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025 were approximately nil, nil, RMB0.04 million and RMB15.1 million, respectively.

Annual Caps and Basis of Annual Cap

The proposed annual cap for the transactions contemplated under the Procurement of Products Framework Agreements for the years ending December 31, 2026 and 2027 are RMB111.5 million and RMB103.4 million, respectively.

In determining such annual caps, our Directors have considered the following factors: (i) the historical transaction amounts of our procurement of the relevant products and energy from relevant members of Wolong Holding Group and Wolong New Energy Group during the Track Record Period; (ii) we transferred the equity interests in some subsidiaries to Wolong New Energy

Group in the first half of 2025, prior to which, we had been procuring relevant products from such entities, while the historical amounts of our procurement from such entities are not included in the historical amounts of our procurement from Wolong New Energy Group prior to the equity transfer in the first half of 2025; (iii) the existing orders we made and the expected demand of our Group for such products and energy due to our plan for business operation; and (iv) other factors including but not limited to the expected market price of such products and energy and the expected market trend.

Implication under the Listing Rules

Since the highest of the applicable percentage ratios calculated under Chapter 14A of the Listing Rules is expected to exceed 0.1% but less than 5% on an annual basis, pursuant to Rule 14A.76(2) of the Listing Rules, the transactions contemplated under the Procurement of Products Framework Agreements will be exempt from the circular and the independent shareholders' approval requirements, but will be subject to the annual reporting, annual review and announcement requirements.

6. Provision of Products and Solutions by our Group

Principal terms

On May 11, 2018, we entered into an agreement regarding provision of products and solutions with HGC Group (the "**HGC Provision Framework Agreement**"), with a term of one year, which can be renewed for successive one-year terms upon expiration after arm's length negotiation, pursuant to which, we agreed to supply various products and solutions, mainly including HVAC solutions, to HGC Group.

The current term of the HGC Provision Framework Agreement is from May 11, 2025 to May 10, 2026, which is expected to be renewed upon expiration after arm's length negotiation.

Pricing Policy

The amount to be paid by HGC Group to our Group under the HGC Provision Framework Agreement generally adopt a cost-plus method and will be determined through arm's length negotiations, taking into account the factors including (i) the market price of the relevant products and solutions; (ii) the costs and profit margins of our Group; and (iii) the prices offered by our Group to other customers purchasing similar products and solutions.

Reasons for the transaction

During the Track Record Period, we have supplied the products and solutions to HGC Group and we expect that we will continue to supply the products and solutions after [**REDACTED**]. Our Group has a long-term and stable business relationship with HGC Group. We are familiar with the business requirements and quality standards of HGC Group for the relevant products and solutions, especially the HVAC solutions. The provision of products and solutions to HGC Group helps to increase the sale scale and the sales revenue of our Group.

Historical transaction amounts

The historical transaction amounts for our supply of products and solutions to HGC Group for each of the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025 were approximately RMB1,153.8 million, RMB1,069.5 million, RMB1,192.4 million and RMB948.8 million, respectively.

Annual Caps and Basis of Annual Cap

The proposed annual cap for the transactions contemplated under the HGC Provision Framework Agreement for the period from January 1, 2026 to May 10, 2026 is RMB505.1 million.

In determining such annual cap, our Directors have considered the following factors: (i) the historical transaction amounts of our supply of the relevant products and solutions to HGC Group during the Track Record Period, (ii) the value of existing contracts and our anticipated supply of products and solutions to HGC Group, and (iii) other factors including but not limited to the expected market price of the similar products and solutions on normal commercial terms.

Implication under the Listing Rules

The transactions contemplated under the HGC Provision Framework Agreement are entered into with connected persons at the subsidiary level during the ordinary course of our business on normal commercial terms where our Directors have approved the transactions and our independent non-executive Directors have confirmed that the terms of the transactions are fair and reasonable, the transaction is on normal commercial terms in the interests of our Company and our Shareholders as a whole. Under the 14A.101 of the Hong Kong Listing Rules, the transaction will be subject to the annual reporting, annual review and announcement requirements but exempt from the independent shareholders' approval requirement.

7. Procurement of Materials by our Group

Principal terms

On May 11, 2018, we entered into an agreement regarding raw material procurement with HGC Group (the "**HGC Procurement Framework Agreement**"), with a term of one year, which can be renewed for successive one-year terms upon expiration after arm's length negotiation, pursuant to which, HGC Group agreed to provide silicon steel, plastic and other ancillary materials to us pursuant to our demands arising from our performance under the HGC Provision Framework Agreement. We will place orders containing specific quantities required by us in writing or through the platform operated by HGC Group.

The current term of the HGC Procurement Framework Agreement is from May 11, 2025 to May 10, 2026, which is expected to be renewed upon expiration after arm's length negotiation and subject to the effectiveness of the HGC Provision Framework Agreement.

Pricing Policy

The fees to be charged by HGC Group for the materials supplied to our Group under the HGC Procurement Framework Agreement shall be determined after arm's length negotiations, and such fees will be taking into consideration when we determine and negotiate the fees under the HGC Provision Framework Agreement.

Reasons for the transaction

Our Group has been purchasing silicon steel, plastic and other ancillary materials from HGC Group during the Track Record Period in the ordinary and usual course of our business and during our performance under the HGC Provision Framework Agreement. Our Group has established a long-term and stable business relationship with HGC Group. We believe it is in the best interest of our Group and our Shareholders as a whole to continue to procure such materials from these providers, which satisfy the needs of our business development.

Historical transaction amounts

The historical amounts of our payment for the procurement of silicon steel, plastic and other ancillary materials from HGC Group for each of the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025 were approximately RMB327.3 million, RMB304.7 million, RMB334.4 million and RMB219.2 million, respectively.

Annual Caps and Basis of Annual Cap

The proposed annual cap for the transactions contemplated under the HGC Procurement Framework Agreement for the period from January 1, 2026 to May 10, 2026 is RMB118.2 million.

In determining such annual cap, our Directors have considered the following factors: (i) the historical transaction amounts of our procurement of materials from HGC Group during the Track Record Period; and (ii) the projected demand for the procurement of products and solutions by HGC Group from our Group.

Implication under the Listing Rules

The transactions contemplated under the HGC Procurement Framework Agreement are entered into with connected persons at the subsidiary level during the ordinary course of our business on normal commercial terms. Since the highest of the applicable percentage ratios calculated under Chapter 14A of the Listing Rules is expected to exceed 1% but less than 5% on an annual basis, pursuant to Rule 14A.76(2) of the Listing Rules, the transactions contemplated under the HGC Procurement Framework Agreement will be exempt from the circular and the independent shareholders' approval requirements, but will be subject to the annual reporting, annual review and announcement requirements.

INTERNAL CONTROL MEASURES

In order to ensure that the terms under relevant agreements for the continuing connected transactions are fair and reasonable, and no less favorable to us than terms available to or from independent third parties, and the connected transactions are carried out under normal commercial terms, we have adopted the following internal control procedures:

(i) we have adopted and implemented a management system on connected transactions and our Board and various internal departments of our Company will be responsible for the control and daily management in respect of the continuing connected transactions;

(ii) our various internal departments will be jointly responsible for evaluating the terms under the agreements for the continuing connected transactions, in particular, the fairness of the pricing policies and annual caps (if applicable) under each transaction;

(iii) our Board and the finance department of our Group will regularly monitor the connected transactions and our management will regularly review the pricing policies to ensure connected transactions to be performed in accordance with the relevant agreements; and

(iv) our independent non-executive Directors and auditors will conduct annual review of the continuing connected transactions under the framework agreements and provide annual confirmation to ensure that, in accordance with the Listing Rules, the transactions are conducted in accordance with the terms of the framework agreements, on normal commercial terms and in accordance with the relevant pricing policies.

WAIVERS GRANTED BY THE STOCK EXCHANGE

The Directors, including the independent non-executive Directors, consider that disclosure and approval of the partially exempt continuing connected transactions described above in full compliance with the Listing Rules would be impracticable and, in particular, would add unnecessary administrative costs to our Company. In addition, the Directors, including the independent non-executive Directors, believe that it is in the interest of our Company to continue to enter into these transactions with its connected persons described above after [**REDACTED**].

Given that the continuing connected transactions as described above under the Procurement of Services Framework Agreements, Procurement of Products Framework Agreements, HGC Provision Framework Agreement and HGC Procurement Framework Agreement, are expected to be carried out on a recurring basis, our Directors consider that strict compliance with the aforesaid announcement requirement will be impractical, and such requirements will lead to unnecessary administrative costs and create an onerous burden on us. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted] us, pursuant to Rule 14A.105 of the Listing Rules, waivers from strict compliance with the announcement requirement under Rule 14A.35 of the Listing Rules in respect of the aforesaid partially-exempt continuing connected transactions.

DIRECTORS' CONFIRMATION

Our Directors (including the independent non-executive Directors) are of the view that the continuing connected transactions set out above have been entered into in the ordinary and usual course of our business, on normal commercial terms or better, are fair and reasonable and in the interest of our Company and our Shareholders as a whole, and that the proposed annual caps in respect of these transactions (where applicable) are fair and reasonable and in the interest of our Company and our Shareholders as a whole.

THE JOINT SPONSORS' CONFIRMATION

The Joint Sponsors have (i) reviewed the relevant documents and information provided by our Company and relevant legal advice provided by our PRC Legal Advisers in relation to the above partially exempt continuing connected transactions; (ii) obtained necessary representations and confirmations from our Company and the Directors, and (iii) participated in the due diligence and discussions with the management of our Group.

Based on the above, the Joint Sponsors are of the view that the aforesaid partially exempt continuing connected transactions, for which a waiver has been sought, has been entered into in the ordinary and usual course of our business on normal commercial terms or better terms, are fair and reasonable and in the interests of our Company and our Shareholders as a whole, and that the proposed annual caps in respect of the partially exempt continuing connected transactions are fair and reasonable and in the interests of our Company and our Shareholders as a whole.